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Eastern District of California

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VALLEY BUSINESSMEN ARRESTED ON BANK FRAUD CHARGES

FRESNO, Calif.—United States Attorney McGregor W. Scott announced today that ABDEL BASET JAWAD, aka Fred Jawad, 34, of Modesto, Calif.; ABDUL MUNIEM MOHAMAD JAWAD, aka Manny Jawad, 35, of Modesto, Calif.; NAJEH KAMAL JAWAD, aka Alex Jawad, of Madera, Calif., 47; and ARMANDO FATHIC ABDULLAH, aka Armando Souza, 39, of Madera, Calif., were arrested yesterday on an indictment charging them with bank fraud stemming from their scheme to defraud Valley First Credit Union (VFCU) of over one-half million dollars in proceeds from automobile loans.

This case is the product of an investigation by the Federal Bureau of Investigation and California Department of Justice.

According to Assistant United States Attorneys Stanley A. Boone, Sheila Oberto and James Terzian, who are prosecuting the case, the defendants, as owners or employees of The Auto Store of Merced, Auto Store of Modesto, Own a Car of Modesto, among others, from April 2002 to July 2003, in Merced and Stanislaus counties, defrauded VFCU, a federally insured institution, by submitting fraudulent automobile loans for cars they were selling to their customers. If a customer wished to purchase a car but was financially unable to qualify for the loan, the defendants and others, at defendants' insistence, would prepare misleading and false financial documentation for submission to VFCU in order to get the customer qualified for the loan. In some instances, the defendants' submission included preparing fictitious documentation and information for employers for which the customer did not work or, if a customer was employed, inflating the customer's earning amounts. Once the false and misleading documents were prepared, the defendants and others would send the fraudulent loan application to VFCU in order to apply for and obtain the automobile loan.

In conjunction with the arrest, agents of the FBI, California Department of Justice, Internal Revenue Service, California Department of Motor Vehicles, Bureau of Automotive Repair, Immigration and Customs Enforcement, and United States Postal Inspection Service executed eight search warrants in various valley locations including Modesto, Merced, Madera and Fresno. The investigation into this case is ongoing.

If convicted of these charges, each defendant faces a maximum sentence of 30 years in prison and a \$1,000,000 fine. The actual sentence, however, will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables and any applicable statutory sentencing factors.

The defendants are scheduled to appear in court today at 1:30 PM. The charges are only allegations, and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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